

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

SECURITIES AND EXCHANGE)
COMMISSION,)

Plaintiff,)

vs.) Case No. 4:22-cv-3359

MAURICIO CHAVEZ,)
GIORGIO BENVENUTO, and)
CRYPTOFOX, LLC,)

Defendants.)

and)

CBT GROUP, LLC,)

Relief Defendant.)

ORAL VIDEOTAPED DEPOSITION

MS. JANETTE HERNANDEZ-GONZALEZ

December 7, 2022

Reported by:
Michelle Hartman
JOB No. 221207WWC

1 ORAL VIDEOTAPED DEPOSITION OF MS. JANETTE
2 HERNANDEZ-GONZALEZ, produced as a witness at the
3 instance of the Plaintiff and duly sworn, was taken
4 in the above-styled and numbered cause on the 7th
5 day of December, 2022, from 9:19 a.m. to 4:38 p.m.,
6 before Michelle Hartman, Certified Shorthand Reporter
7 in and for the State of Texas and Registered
8 Professional Reporter, reported by computerized
9 stenotype machine at the offices of Shook, Hardy &
10 Bacon, LLP, JPMorgan Chase Tower, 600 Travis Street,
11 Suite 3400, Houston, Texas 77002, pursuant to the
12 Federal Rules of Civil Procedure and the provisions
13 stated on the record or attached hereto.

1 looked at the same kind of properties as the Maurizio
2 Group?

3 A. Approximately.

4 Q. Okay. And so did you also help them make
5 appointments like you did at the Maurizio Group?

6 A. Yes.

7 Q. Okay. Did you have any roles to play in
8 transactions with Luxury Real Estate Group?

9 A. No.

10 Q. And so other than helping Mauricio make
11 appointments and conducting market research, did you
12 do anything else at Luxury Real Estate Group?

13 A. No.

14 Q. Is there an office for Luxury Real Estate
15 Group?

16 A. No.

17 Q. There is no central office for that
18 business?

19 A. I don't know the office. I just know
20 that I worked from my house.

21 Q. Okay. Were you ever present for meetings
22 that Mauricio had as part of the Luxury Real Estate
23 business?

24 A. No.

25 Q. How did you present your market research

1 Q. So you're saying the 3,500 was a direct
2 deposit to your bank account?

3 A. Yes.

4 Q. Were there any other employees at Luxury
5 Real Estate?

6 A. Not that I know of.

7 Q. Did you negotiate this pay range with
8 Mauricio Chavez?

9 A. Yes.

10 Q. Did you ask for more money?

11 A. No.

12 Q. Who suggested the number 3,500?

13 A. Himself.

14 Q. Okay. And that was fine with you?

15 A. That was fine with me, yes.

16 Q. How many hours would you work per -- per
17 day and per -- per week for the Luxury Real Estate
18 Group?

19 A. It was from 9:00 to 5:00. So 9:00 to
20 5:00 five days a week.

21 Q. That is a pretty big pay cut from what
22 you made at the Maurizio Group; is that right?

23 A. Yes.

24 Q. Yeah. How did you -- but roughly the
25 same hours; is that right?

1 testified earlier that this is your current
2 residence, correct?

3 A. Correct.

4 Q. And this was also a new construction when
5 the house was purchased?

6 A. Yes.

7 Q. Now, in August -- so the house was
8 purchased in April of 2022 from Perry Homes, and then
9 in August 11th, 2022, it was transferred from Luxury
10 Real Estate to Janette Gonzalez as trustee of the JJ
11 Trust. Does that sound correct to you?

12 A. I don't remember the dates, but I know
13 that we did that transfer.

14 Q. What is the JJ Trust?

15 A. It is a trust fund that I created for my
16 son's future.

17 Q. Is there a co-trustee, another trustee to
18 this trust?

19 A. Just myself.

20 Q. And did you hire an attorney or some
21 other professional to help you create the JJ Trust?

22 A. Yes, through LegalZoom.

23 Q. And what type of trust is this?

24 A. I believe it is a -- I don't remember to
25 be honest. I would have to check because I don't

1 trust from the one that we discussed previously --

2 A. Yes.

3 Q. -- correct?

4 And this trust is called JCA Trust?

5 A. Yes.

6 Q. Okay. And when did you create this
7 trust?

8 A. I don't remember the -- the date.

9 Q. Well, the property records show that the
10 house was transferred from JM Monarchy, LLC to
11 Janette Gonzalez as trustee of the JCA Trust in
12 January of 2022.

13 Does that sound correct to you?

14 A. I don't remember if it was that day.

15 Q. Okay. What type of trust is JCA Trust?

16 A. JCA Trust is a living trust, and I don't
17 recall very much.

18 Q. So it's a -- but you recall it's a living
19 trust?

20 A. It's a living trust from what I remember.

21 Q. And the other trust, the JJ Trust, is
22 that a living truth as well?

23 A. I'm sorry?

24 Q. The other trust we discussed, is that a
25 living trust as well?

1 A. I believe so. I have the documents and
2 it was -- I can send them to you so you can check.

3 Q. And are you the only trustee for JCA
4 Trust?

5 A. Yes.

6 Q. And did you use LegalZoom for this trust
7 as well?

8 A. Yes.

9 Q. And who are the beneficiaries of this
10 trust?

11 A. From my recollection, I put my brother,
12 two of them, but I don't remember which -- who
13 they -- who they were.

14 Q. And other than this house, what other
15 assets does this trust own?

16 A. No other assets.

17 Q. Is the Polaris house insured?

18 A. Not from my recollection.

19 Q. And there is no note on that house,
20 right? There's no mortgage or anything like that?

21 A. No, ma'am.

22 Q. And what about the property taxes, do you
23 receive the bill for this house?

24 A. Yes. I paid it.

25 Q. And you paid it?

1 A. Yes, through the company's bank.

2 Q. What -- what do you mean?

3 A. I paid it. I don't remember to be
4 honest. I'm so sorry, I'm just tired.

5 Q. That's okay. I understand. We're all a
6 little bit tired today.

7 You said you paid the property taxes for
8 Polaris Lane house through the company's bank
9 account?

10 A. No. I'm sorry. I made the payment. I
11 don't remember how, but I have all the receipts that
12 I can show it where -- how I made it.

13 Q. Is there a bank account associated with
14 the JCA Trust?

15 A. No.

16 Q. Do you own any other houses or real
17 estate properties we have not discussed?

18 A. No.

19 Q. What type of vehicle do you drive?

20 A. A Lexus ES 350.

21 Q. And when did you have purchase the Lexus?

22 A. I don't remember the date.

23 Q. Did you personally purchase the Lexus?

24 A. Myself, I didn't purchase the Lexus.

25 Q. And when -- let's -- let's -- let me ask

1 you this: When did you come to get possession of
2 this Lexus 350 -- did you say 350?

3 A. Yes.

4 Q. Is that an SUV or a sedan?

5 A. Sedan.

6 Q. Okay. What year is the car?

7 A. 2021.

8 Q. 2021. Okay. So when -- when did you
9 take possession of the -- of this car?

10 A. My company, JM Monarchy, purchased it
11 from Mauricio, but I don't remember when exactly.

12 Q. When did you start driving it?

13 A. Since I purchased the car. Well, since
14 the company purchased the car. I don't remember what
15 date.

16 Q. Was it sometime in 2021?

17 A. I don't remember.

18 Q. So you were saying JM Monarchy purchased
19 the car?

20 A. Yes.

21 Q. What funds did JM Monarchy use to pay for
22 the Lexus?

23 A. The funds were from the bank.

24 Q. What bank account?

25 A. B -- Bank of America.

1 Q. And were you there when the car was
2 purchased?

3 A. No, I was not there.

4 Q. And do you know what dealership it was
5 purchased from?

6 A. No.

7 Q. And do you know how much the car -- how
8 much JM Monarchy paid for the car?

9 A. Yes, I believe he said \$35,000 from my
10 recollection.

11 Q. Who said that?

12 A. Mauricio. That's the amount he sold it
13 to me for approximately.

14 Q. I'm sorry?

15 A. That's the amount he approximately sold
16 it to me for.

17 Q. Okay. Let's take a step back.

18 So JM Monarchy sometime in 2021 purchased
19 this Lexus, correct?

20 A. Yes.

21 Q. And then at some point Mauricio sold you
22 the car?

23 A. No, Mauricio was the first one to
24 purchase the car --

25 Q. Okay.

1 A. -- and I -- well, JM Monarchy purchased
2 it from Mauricio.

3 Q. Okay. So JM Monarchy paid Mauricio
4 \$35,000 for the Lexus?

5 A. Yes.

6 Q. Is this car insured?

7 A. No.

8 Q. There's no liability insurance on the
9 car?

10 A. No.

11 Q. So you're driving without an insurance
12 card?

13 A. Yes, ma'am.

14 Q. Is there a reason for that?

15 A. I haven't got the insurance. I forgot to
16 get it.

17 Q. When was the last time that the car was
18 insured?

19 A. I don't remember.

20 Q. And when did JM Monarchy purchase the
21 car, this Lexus car, from -- from Chavez?

22 A. I don't remember the date, but I do have
23 the cashier's check in my history that I can check
24 for you and give you an exact date.

25 Q. Do you drive your son in this car?

1 MR. FLACK: Okay. I have just a few.

2 EXAMINATION

3 Q. (BY MR. FLACK) For the record, I'm Paul
4 Flack. I represent Mauricio --

5 A. Okay.

6 Q. -- Cavales -- or Chavez. Sorry.

7 We have not met before today, correct?

8 A. I have never met you.

9 Q. Okay. And you entered into a contract
10 with CFX, correct?

11 A. Yes.

12 Q. And do you have in front of you
13 Exhibit 6?

14 A. Yes, I can get it. Yes, I have it.

15 Q. Okay. Counsel for the SEC asked you some
16 questions about this document and he referred to some
17 parts that are small print, but to me they look like
18 reasonably sized print, so let me just ask you.

19 Do you see the part where it says, "I,
20 Janette Gonzalez, fully decided to contribute to
21 CryptoFX -- CryptoFX, LLC the amount of \$140,000"?

22 A. Yes, plus the 2 -- 20,000 that states
23 there.

24 Q. Okay. And you recall seeing similar
25 language to this in the first one you signed,

1 correct, the first contract you signed for CryptoFX?

2 A. Yes.

3 Q. And I think you said you read it that
4 time but you didn't read it the other time?

5 A. Yes.

6 Q. Okay. And do you recall whether that
7 first one that you read said, "We are taking your
8 money and investing on our behalf. If we received
9 enough return on crypto currency, we will repay the
10 student a portion of the total tuition"?

11 Do you recall reading that when you first
12 invested with CFX or something to that effect?

13 A. The first time that I had the contract,
14 yes.

15 Q. Okay. And do you see the part where it
16 says, "The venture is very speculative and risky.
17 Foreign exchange and crypto currency trading is
18 highly speculative and the student understand and is
19 willing to assume the economic, legal and other risks
20 involved and (B) is financially able to assume
21 losses"?

22 Do you remember reading something like
23 that when you first invested?

24 A. Something like that, but --

25 Q. Okay. You recall --

1 A. -- to me that --

2 Q. -- reading warnings about the risk of the
3 investment?

4 A. Yes.

5 Q. And did you understand when you invested
6 that there was risk?

7 A. Yes.

8 Q. And then it says, "The student
9 understands that CryptoFX is a simple educational
10 academy, not registered with the Texas Workforce
11 Commission, nor has any registration with the
12 Security and Exchange Commission as a dealer or as an
13 agent nor has any insurance coverage."

14 Do you recall reading something like that
15 when you first invested?

16 A. I don't recall at this time, but I might
17 have read it at that first time.

18 Q. Okay. And then skipping down to the part
19 underneath "Confidential Agreement," there's again a
20 paragraph that begins, "I, Janette Gonzalez," and
21 then the second paragraph, "the student" --

22 That would be you, correct?

23 A. Yes.

24 Q. -- "further understand there is a high
25 risk in trading foreign currencies and acknowledges

1 he/she does not know nor understand the fees involved
2 in trading foreign currencies."

3 Do you recall reading something like that
4 when you first got involved with CryptoFX?

5 A. Yes.

6 Q. And there's the next paragraph, "The
7 student further understand there is a high risk with
8 the crypto currency and in trading in crypto
9 currencies because the volatility of the price may
10 decrease over a short period of time, resulting in
11 significant loss for the student. A possible hacking
12 incident from malicious attack may negatively impact
13 the price of the crypto currencies, and in the event
14 of theft or fraud are difficult to trace or recover."

15 Do you recall reading something like that
16 when you first invested?

17 A. Something like that.

18 Q. Now, it refers -- it talks some about
19 classes that investors were in. You understood that
20 you could take classes as part of this involvement
21 you were having with CryptoFX?

22 A. Yes.

23 Q. And did you understand that those classes
24 would teach you about crypto currency and how to
25 invest in them?

1 A. Yes.

2 Q. Did you see other people attend such
3 classes at CryptoFX?

4 A. During the day that I was in the office,
5 yes, I saw a lot of people there.

6 Q. Okay. And a lot of those people were
7 attending classes?

8 A. Yes.

9 Q. Did you ever see -- hear anyone speak
10 positively about learning a lot in any of those
11 classes?

12 A. Yes.

13 Q. Did CFX have a website?

14 A. Yes.

15 Q. And did it explain the programs and
16 classes that CFX offered?

17 A. Yes.

18 Q. As far as you know, was it available for
19 anybody to look at?

20 A. Yes.

21 Q. 24 hours a day?

22 A. Yes.

23 Q. Did CFX also give presentations to your
24 understanding that were open to the public where
25 anybody could come and learn about what their program

1 Q. Did that stop when the SEC filed its suit
2 in September of this year?

3 A. One contract still hasn't been paid.

4 Q. Right. And you haven't received a
5 payment on that contract, but you did on all the
6 prior ones, correct?

7 A. Yes.

8 Q. Who was Eduardo Taffinder?

9 A. One of the founders.

10 Q. And what happened to him?

11 A. He passed away.

12 Q. From Covid?

13 A. Yes, from Covid-19.

14 Q. And what was his role at CryptoFX to your
15 understanding, obviously prior to when he got sick
16 and passed away?

17 A. From my understanding, he was there with
18 Mauricio managing the company.

19 Q. Okay. So the company was being led by
20 Mauricio Chavez, Eduardo Taffinder, and who is the
21 third person?

22 A. Gustavo Gomez.

23 Q. And Mr. Taffinder got sick with Covid
24 and subsequently died, correct?

25 A. Yes.

1 Q. And Gustavo, he stepped back from the
2 company?

3 A. Yes.

4 Q. So that left just Eduardo -- or just
5 Mauricio to try to run things, correct?

6 A. Just Mauricio, yes.

7 Q. Okay. Was the office when you were there
8 a pretty hectic place at -- at Town & Country?

9 A. It was pretty busy.

10 Q. Okay. Was it your understanding that
11 Mauricio Chavez was trading BitCoin?

12 A. Not my fully understanding.

13 Q. Okay. Do you have any idea how much he
14 might have made trading BitCoin over the time --

15 A. No.

16 Q. -- he was at the company?

17 A. No, sir.

18 Q. Was it your -- did you have any
19 understanding whether he was very successful in
20 trading BitCoin?

21 A. Yes. From what he stated, he was.

22 Q. But you have no idea how much he made?

23 A. No, sir.

24 Q. Okay. I think that's all the questions I
25 have.

1 STATE OF TEXAS

2 COUNTY OF HARRIS

3
4 REPORTER'S CERTIFICATE

5 ORAL VIDEOTAPED DEPOSITION OF

6 MS. JANETTE HERNANDEZ-GONZALEZ

7 December 7, 2022

8
9 I, Michelle Hartman, the undersigned
10 Certified Shorthand Reporter in and for the State of
11 Texas and Registered Professional Reporter, certify
12 that the facts stated in the foregoing pages are true
13 and correct.

14 I further certify that I am neither
15 attorney or counsel for, related to, nor employed by
16 any parties to the action in which this testimony is
17 taken and, further, that I am not a relative or
18 employee of any counsel employed by the parties
19 hereto or financially interested in the action.
20
21
22
23
24
25

1 SUBSCRIBED AND SWORN TO under my hand and
2 seal of office on this 12th day of December, 2022.

3
4
5 Michelle Hartman



6 Michelle Hartman, CSR, RPR

7 Texas CSR 7093

8 Expiration: 12/31/23
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25